

Agenda Report

February 5, 2007

TO: City Council

FROM: City Manager

SUBJECT: Selection of Land Use Concept for Reuse of the Desiderio Army Reserve Center

RECOMMENDATION:

Staff is submitting only the recommendations of the advisory commissions; because City staff submitted a proposal for consideration, staff is not making a recommendation.

ADVISORY COMMISSION RECOMMENDATIONS:

Planning Commission

On November 1, 2006, the Planning Commission heard presentations from the development teams of each of the eleven proposals and took public comment. On December 6, 2006, the Planning Commission again heard public comment and selected four proposals as finalists for further consideration. Those finalists were:

- Habitat for Humanity
- Arroyo Center for Art and the Environment
- Moule & Polyzoides
- City of Pasadena

The finalists were asked to consider partnering with other proposal teams and were invited to submit updated proposals. On January 24, 2007, the Planning Commission heard updated proposals from each of the four finalists, took public comment for a third time, and deliberated on a final recommendation. The Commission ultimately considered the proposals in the context of two criteria: 1) broad community support as required by the Department of Defense and 2) compliance with the West Gateway Specific Plan. The Commission voted unanimously to recommend the Habitat for Humanity "Scheme A" that includes nine single-family units, 75% open space, inclusion of the Arroyo Center for the Arts and Environment in a new building, and a parking grove similar to the grove at the Huntington Library and Gardens.

Recreation and Parks Commission

On November 29, 2006, the Recreation and Parks Commission heard presentations and reviewed the eleven proposals. The Commission voted to consider the merits of the proposals within the context of three principles: provision of the most park, open or recreational space; greatest benefit to the community as a whole; and compatibility with the adjacent neighborhood. Using these principles, the Commission recommended the following four proposals to the Planning Commission without priority:

- Habitat for Humanity
- Arroyo Center for Art and the Environment
- Moule & Polyzoides
- City of Pasadena

Community Development Committee

On November 20, 2006 the Community Development Committee heard eleven presentations and evaluated the proposals within the spirit and intent of their mission to a) preserve and expand the diversity of housing and economic development for a broad mix of persons of different ethnicities and income levels; and b) to address the issue of homelessness in Greater Pasadena. The Committee stated a desire to recommend the proposals that provide the greatest amount of housing directed to the population(s) with the greatest need and voted to recommend to the Planning Commission the following projects in priority order:

1. Union Station Foundation
2. Century Housing – Housing Proposal
3. Lambert Development/IHC Housing Corporation
4. Habitat for Humanity
5. Moule & Polyzoides

In addition, the Committee recommended that consideration be given to incorporating the Arroyo Center for the Arts and the Environment into a joint development arrangement.

Transportation Advisory Commission

On January 12, 2007, the Transportation Advisory Commission reviewed the eleven original proposals and the updated site plans submitted by two of the proposals selected as finalists by the Planning Commission. TAC voted to concur with the Planning Commission on the selection of the four finalists and further recommended the following:

1. Pedestrian and transit access should be considered;
2. Parking and mobility impacts should be addressed through neighborhood protections for the surrounding areas;
3. Access to public uses should be directed from Arroyo Drive;
4. Adequate ingress and egress should include consideration of the bridge, the incline of Arroyo Drive, and the road alignments.

BACKGROUND:

The Desiderio Army Reserve Center, a 5.1-acre parcel beneath the Colorado Street Bridge, was recommended for closure by the 2005 Base Realignment and Closure

Commission in November 2005. The recommendation was subsequently approved by Congress and the property was made available to Federal agencies for a period of six months. No agencies filed interest in the property and it was declared surplus property. At that time the city was notified of its availability and advised of opportunities to participate in planning for reuse of the site.

Site Description

The 5.1 acre site was formerly the grounds and recreation area of the Vista del Arroyo Hotel and Resort complex. It was acquired by the U.S. War Department in 1943 to serve as hospital facilities for servicemen during WWII. Since 1956, the site has been used by the Army as a training facility for various military reserve units, including intelligence units. Facilities at Desiderio consist of a two-story classroom building including a large drill hall and kitchen, a large garage, two small accessory structures, and paved parking. Few improvements have been made to the site since the 1950s.

Adjacent land uses include the Ninth Circuit Court of Appeals in the old Vista del Arroyo Hotel (listed on the National Register of Historic Places), single-family residential to the south and parkland/open space to the west. The Colorado Street Bridge traverses the north portion of the site and is also listed on the National Register of Historic Places. The property includes an easement under the bridge to allow access for repairs. North of the site is the 210 freeway and both single- and multi-family residential.

Review Authority

In May 2006, the City was designated by the Department of Defense as the Local Redevelopment Authority (LRA) responsible for the drafting of a reuse plan for the site. The reuse plan is essentially a recommendation to the Department of Defense as to what the City would like to see the property used for and who could carry out the plan. Federal regulations define the responsibilities of the LRA and require that the reuse plan be developed through a community planning process. A summary of outreach activities is included in Attachment A.

Under these regulations the City as the LRA was required to publish a legal notice in local newspapers announcing a 90-day period during which interested parties could submit proposals. Notices were published in three local papers on June 8, 2006 and special outreach was made to homeless services providers as required by the regulations. The City was also required to conduct at least one workshop providing an opportunity for interested parties to learn about the process and tour the buildings. This workshop was held on site on June 30 and representatives of more than 75 organizations attended. On September 8, 2006, the submittal period closed and eleven proposals for redevelopment of the site were received. In October, City Council designated the Planning Commission to act as the official advisory review panel to evaluate the proposals and recommend a reuse plan.

Under Federal regulations, the City has nine months to review the proposals, develop a recommended reuse plan and submit the plan to the Department of Defense. The City is also required to prepare a Homeless Assistance Report for submittal to the

Department of Housing and Urban Development describing how the City proposes to meet the needs of the homeless with or without the use of the site.

Review Considerations

Neither the Federal regulations nor the Department of Defense dictate criteria for the selection of land uses for the site. The only stated priority is for strong community support for the recommended project.

There has been some confusion over the application of the *McKinney Homeless Assistance Act* which states that serving the homeless must be the first priority for use of all surplus Federal properties. Current regulations are clear however that the McKinney Act does not apply to base closure sites.

The West Gateway Specific Plan is the current long-range planning document for the site. Adopted in 1998, the plan is the product of several years of community participation and includes specific recommendations for the Desiderio site. It states that the preferred community vision for the site is for a charitable, cultural or government institution, but that low density residential (6 DU/acre; 36' height limit) would also be acceptable. The plan further states that in either case the new development should be in character with the surrounding residential areas, respect the peaceful quality of the area, and minimize traffic and impacts on the Arroyo Seco. (Attachment B)

Description of Proposals

The City received eleven proposals including six housing developments, two schools, and three multi-purpose proposals combining outdoor recreation uses with an art academy, a float building facility for the Tournament of Roses and a public safety training facility for the City of Pasadena. A summary of each is shown in the matrix in Attachment C; proposals are included in Attachment D. Of the eleven proposals, four were selected by the Planning Commission as finalists for further consideration. The Recreation and Parks Commission and the Transportation Advisory Commission recommended the same four proposals as finalists. Two of the four, Habitat for Humanity and Moule & Polyzoides, were also recommended by the Community Development Committee. A description of each of the four follows (site plans for each are attached as Attachment E):

Habitat for Humanity

The original proposal from Habitat for Humanity included 22 attached single-family homes leaving the remainder of the site for either public parkland or the development of market rate single family homes. In response to community concerns, Habitat submitted an updated proposal reducing the number of units to nine single-family bungalows in a court formation occupying approximately 25% of the site. The bungalows would be constructed through a sweat equity program and sold at affordable rates up to 80% of area median income.

Habitat proposed three alternatives for the remainder of the site. Scheme A, recommended by the Planning Commission, proposed that most of the site remain as

open space with a heavily planted parking grove similar to that at the Huntington Library. It also proposed a large bungalow, sited as an aesthetic focal point framed by an arch of the bridge, to house the Arroyo Center for the Arts and Environment (see below). Access to the parking would be from Arroyo Boulevard thus minimizing impacts on the adjacent neighborhood.

This proposal meets the development standards of the West Gateway Specific Plan and current zoning. It also complies with the statements in the Plan that development on the site “should be in character with the surrounding residential areas, respect the peaceful quality of the area, and minimize traffic and impacts on the Arroyo Seco.” In addition, it furthers the goals of the Housing Element to provide affordable housing, the Draft Green Space Element for preservation and acquisition of open space in or adjacent to the Arroyo, and the Cultural Nexus Plan to provide space for the cultural and creative sector, to expand cultural and heritage tourism, and to communicate Pasadena’s unique cultural identity to the region and world. It is also in alignment with the City’s focus on protection of the environment.

If this proposal is successful, it is proposed that the land would be transferred to the City and Habitat for Humanity at reduced or no cost through Public Benefit Conveyances for parkland and self-help housing respectively. The Arroyo Center for Art and the Environment would occupy the site through an agreement with the City.

Arroyo Center for Art and the Environment

The Arroyo Center for Art and the Environment is a joint venture of the Arroyo Seco Foundation and the California Art Club. Both are local non-profits established in Pasadena more than 100 years ago. The Arroyo Seco Foundation works to preserve and promote the Arroyo Seco; the California Art Club provides education and support for traditional fine art, particularly painting in the “plein air” tradition for which the Arroyo Seco has served as inspiration since the turn of the century. Their proposal seeks to celebrate nature and art in the Arroyo through restoration of natural vegetation on most of the site and reuse of the existing buildings as an art museum and academy, a library of Arroyo history, and a center for environmental education. Improvements to the buildings would include state-of-the-art energy and environmental design and LEED certification. The proposal is in compliance with the West Gateway Specific Plan and is conditionally permitted under the current zoning for the site. It is proposed that the land would be transferred to the City through a Public Benefit Conveyance for parkland and occupied by the non-profits through an agreement with the City.

Moule & Polyzoides

Moule & Polyzoides, a local architecture firm noted for its focus on “new urbanism”, originally proposed 22 single family homes to be sold at market rate as well as a one acre neighborhood park with a small community building at the center. In an updated proposal, intended to address the priorities set forth by the City’s advisory bodies as well as community input, the number of units was reduced to 20, the size of the park increased to 1.75 acres, and two workforce units were added to the three affordable units required by the inclusionary housing ordinance. The proposed use would require

a zone change and Specific Plan Amendment for a Planned Unit Development (PD) that would allow flexibility from the current zoning and development standards for the site. The land would be purchased by Moule & Polyzoides at market rate, as assessed at the time of transfer, directly from the Department of Defense.

City of Pasadena

The City of Pasadena proposal was submitted by a four-department team including Fire, Police, Public Works and Human Services and Recreation. The proposal seeks to provide both a regional public safety training facility in the existing structures and new park/open space opportunities on the remainder of the site. This use is in compliance with the West Gateway Specific Plan and is conditionally permitted under the existing zoning. It is proposed that the land would be transferred to the City under a Public Benefit Conveyance for parkland and/or homeland security. It is believed that Homeland Security dollars could be secured for facility renovation.

Review Schedule

Following City Council selection of a land use concept, staff will develop more detailed plan documents for final review by the Planning Commission and City Council. Depending on the direction given by Council, development of the final documents may require several weeks. During this time staff must also prepare a report describing the relationship between the proposed plan for the Desiderio site and the City's homeless assistance programs. The final documents are due to the Department of Defense and the Department of Housing and Urban Development by June 8 2007; however City Council requested that the documents be brought to Council in April with the possibility of the Council discussion spanning more than one meeting. With direction from Council, staff will return on April 23 with the possibility of further discussion on April 30 if necessary.

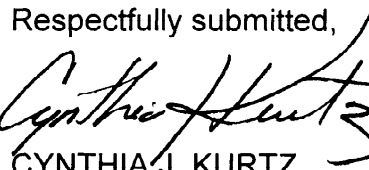
Once the documents are submitted, the process of Federal review and environmental documentation generally takes several years and by law is not required to be complete until 2011. During this time the Desiderio facilities will remain occupied while a new facility is under construction in the City of Bell.

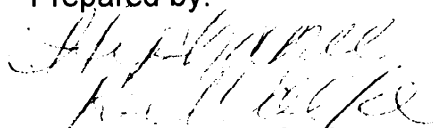
FISCAL IMPACT:


As proposed, two of the proposals would result in direct costs to the City. The Habitat for Humanity proposal recommended by the Planning Commission includes City responsibility for the demolition of the existing improvements on site, estimated at a one time cost of \$600,000 and development of park and recreation space, estimated at \$1.7 million. Annual cost of maintaining the park would be \$75,000. The demolition and maintenance costs would be General Fund. It is anticipated that there would be sufficient residential development fees available within this zone for park development costs.

The proposal submitted by the City departments includes costs for renovation of the existing structures, estimated at \$6.8 million, and development of park and recreation space, estimated at \$1.5 million. Annual operating costs for the buildings would be

\$275,000 for utilities, structural and preventative maintenance, and housekeeping. Annual cost of maintaining the park would be \$35,000. Should the City choose to expand to organize Saturday programming, annual costs for part-time recreation staff would require an additional \$75,000. It is anticipated that Federal homeland security grant funds could be secured for the cost of building improvements. Annual park and building maintenance costs would be from the General Fund. It is anticipated that there would be sufficient residential development fees within this zone for park development costs.

Respectfully submitted,

CYNTHIA J. KURTZ
City Manager

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Approved by:

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Attachments:

- A. Summary of Outreach Activities
- B. Excerpt from *West Gateway Specific Plan*
- C. Summary Matrix of Proposals
- D. Summaries from Original Proposals
- E. Updated Site Plans and Materials from Finalists